



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 16, 1997

Mr. Frank D. O'Connor
c/o KPMG Peat Marwick LLP
303 East Wacker Drive
Chicago, Illinois 60601

Dear Mr. O'Connor:

The Secretary of the Board of Governors of the Federal Reserve System, acting pursuant to authority delegated by the Board, and having considered the record of these applications in light of the relevant statutory factors, has approved the application by Eggemeyer Advisory Corp., Castle Creek Capital, L.L.C., and Castle Creek Partners Fund - I, L.P., all of San Diego, California, and Monarch Bancorp, Laguna Nigel, California (collectively "Monarch"), pursuant to section 3 of the Bank Holding Company Act ("BHC Act") (12 U.S.C. § 1842), to merge Monarch Bancorp with California Commercial Bankshares, and thereby indirectly acquire National Bank of Southern California, both of Newport Beach, California.

In addition, the Secretary, having reviewed the notice filed under section 4(c)(8) of the BHC Act in light of the relevant statutory factors, has approved the notice of Monarch to acquire Venture Partners, Inc., Newport Beach, California, and thereby engage in performing trust company functions (including activities of a fiduciary, agency, or custodial nature). This activity has been determined by the Board to be closely related to banking under Section 225.28(b)(5) of the Board's Regulation Y (12 C.F.R. § 225.28(b)(5)). The Secretary's determination on Monarch's notice to engage in trust company functions is subject to all the restrictions, terms, and conditions imposed by the Board on the trust company functions of bank holding companies. In addition, approval of this notice is subject to the Board's authority to require reports by, and make examinations of, holding companies and their subsidiaries and to require such modification or termination of activities of a holding company or any of its subsidiaries as the Board finds necessary to assure compliance with the Act, and the Board's regulations and orders issued thereunder.

In approving this transaction, the Secretary has relied on all of the facts of record and all representations and commitments made by Monarch in the applications and notice and in related correspondence in light of the factors set forth in the BHC Act. These commitments are conditions imposed in writing in connection with the findings and decision herein, and, as such, may be enforced under applicable provisions of law.

The merger with California Commercial Bankshares and acquisition of National Bank of California may not be consummated before the fifteenth calendar day following the effective date of this order, or later than three months after the date of this order, and the acquisition of Venture Partners, Inc., should be consummated within three months after the effective date of this order, unless such period is extended for good cause by the Federal Reserve Bank of San Francisco. In connection with these provisions, advice of the fact of consummation should be given in writing to the Reserve Bank.

Very truly yours,

A handwritten signature in black ink, reading "Jennifer J. Johnson". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Jennifer J. Johnson
Deputy Secretary of the Board

cc: Federal Reserve Bank of San Francisco
Department of Justice
Office of the Comptroller of the Currency
California Superintendent of Banks